statutes, they logically become of no effect whatever as regards the Bankruptcy Act. For no policy having any cash value, whether realizable through assignment, through change of beneficiary, or through surrender, even where there is no power to change the beneficiary, would be exempt. Such a result, it is submitted, defeats the purpose of the statute. It might, however, be avoided by making a distinction: exempting a policy which must be surrendered and cancelled to defeat the beneficiary, and not exempting one where he may be defeated and the policy still kept alive.

CONFLICT OF LAWS—FULL FAITH AND CREDIT—CONCLUSIVENESS OF RECITAL OF SERVICE IN STATE JUDGMENT.—An action was brought in Michigan on a Pennsylvania judgment. One of the defenses was that the defendant had neither been served with process in the Pennsylvania action nor been given any notice of the same. *Held,* that these facts, if true, constituted a defense. *Smithan v. Gray* (1918, Mich.) 168 N. W. 998.

See COMMENTS, p. 579, *supra.*

CONSTITUTIONAL LAW—RATE FIXING STATUTE—SUPERVENING UNCONSTITUTIONALITY—SUPERVENING BECAUSE OF CHANGING CONDITIONS.—The plaintiff, a corporation furnishing gas to the city of Albany, brought action for an injunction against the further enforcement of a rate-fixing statute passed in 1907. The corporation alleged that with the rise in the cost of gas-producing the rates had become confiscatory. The defendants maintained that the statute in question, having admittedly been constitutional when passed, could not later be attacked. *Held,* that the complaint stated a cause of action. (1919, N. Y.) 121 N. E. 772.

See COMMENTS, p. 592, *supra.*

CORPORATIONS—REINSTATEMENT AFTER FORFEITURE—LIABILITY OF DIRECTORS.—A New Jersey statute provided that a corporation failing to pay a tax assessed against it for two successive years should on proclamation by the governor forfeit all powers conferred upon it by law, which powers should be deemed thereafter "inoperative and void." The defendant was a director in the Crosthwaite and Cannon Company, which neglected to pay such tax; wherefore the governor proclaimed their charter void. The company continued to carry on its business and entered into a contract with the plaintiff who, alleging breach on the part of the corporation, brought suit for damages, but against the directors individually. The defendants set up that the governor, after his proclamation of cancellation, has issued an order reinstating the corporation in all its franchises *nunc pro tunc. Held,* that the plaintiff was not entitled to recover; one ground being that one who contracts with a corporation whose franchise has been terminated by the state for failure to pay a tax must be deemed to have contracted "under the implied agreement" that the corporation might be reinstated, and any individual liability of the directors thereby barred. *Held v. Crosthwaite* (1918, S. D. N. Y.) 60 N. Y. L. J. 661 (Nov. 27, 1918).

There seems no reason to question the soundness of the decision. It is at least doubtful whether the directors were ever liable. Forfeiture of a corporation's charter for misuser or non-user of corporate franchises can ordinarily take effect only on judgment in a proper *judicial* proceeding brought by the state. 7 R. C. L. 731; Clark & Marshall, *Corps.* sec. 213. And the state may waive the forfeiture. Clark, *Corps.* (3d ed., 1916) 306. The charter itself may indeed reserve to the *legislature* power to revoke. *Greenwood v. Union Freight Ry.* (1881) 105 U. S. 13. But it does not follow that such reservation is self-executory. *New York, etc. Co. v. Smith* (1896) 148 N. Y. 540, 42 N. E. 1088; and see 2 Morawetz, *Corps.* sec. 1006; 8 Am. St. Rep. 803, note. Even less will a *general statute* be necessarily self-executory, when it provides that non-compliance

with given conditions will *ipso facto* work forfeiture. *Cluthe v. Evansville, etc. R. R.* (1911) 176 Ind. 162, 95 N. E. 543; Ann. Cas. 1914A 935, note. That question seems to depend on the legislature's intent. *Kaiser, etc. Co. v. Cary* (1909) 155 Cal. 638, 103 Pac. 341; Clark, *Corps.* (3d ed., 1916) 301. It has been held that executive proclamation could not take the place of a judicial decree. *Shand v. Gage* (1877) 9 S. C. 187. There seems, therefore, good ground to believe that unless the statute was itself of the kind deemed self-executory a governor's proclamation, as in the instant case, could not put the corporation entirely out of business. Even if it could, the question would arise whether the making of the proclamation without a hearing would not violate due process. *Cf.* (1919) 28 YALE LAW JOURNAL, 391. But assuming a valid non-judicial forfeiture, it does not follow that the directors incurred personal liability in carrying on the corporate business. After such forfeiture the body often has at least some of the marks of a *de facto* corporation. In the majority of jurisdictions it can still contract, and can sue and be sued as a corporation on contracts made both before and after forfeiture. *Gilmer Creamery Assn. v. Quentin* (1908) 142 Ill. App. 448; *Lively v. Picton* (1914, C. C. A. 6th) 218 Fed. 401; *Stark Electric Ry. v. McGinty* (1917, C. C. A. 6th) 238 Fed. 657; *Greenbrier Lumber Co. v. Ward* (1887) 30 W. Va. 43, S. E. 227. It can be proceeded against in bankruptcy. *In re Munger Tire Co.* (1908, C. C. A. 2d) 159 Fed. 901. Whether or not the body is like a *de facto* corporation in regard to personal liability of the directors, the instant case is clearly sound in holding that any rights against the latter are held subject to a liability of being divested and replaced by rights solely against the corporation, at once on the latter's reinstatement.

CRIMINAL LAW—EXTORTION—WHAT CONSTITUTES "INJURY TO PROPERTY."—The defendant, an elevator inspector, obtained $50 from J. S. by threatening to report falsely that his elevator was defective. An indictment thereupon charged the defendant with obtaining money by extortion, "by the wrongful use of force and fear, induced by the threat of the defendant to do an unlawful injury to his property." It appeared that J. S. had no license to run an elevator. *Held,* that the defendant was guilty of extortion and that preventing further use of the elevator would be an "injury to property." *People v. Sheridan* (1919, N. Y. App. Div.) 60 N. Y. L. J. 1783 (Mar. 3, 1919).

The term "property" may be used to describe physical objects or as an inclusive term to describe those general or "multital" jural relations commonly known as *rights in rem.* In the present case there was no threat to do injury to physical objects. The threat to prevent use of the elevator would have been a threat to destroy a valuable property *privilege* but for the fact that J. S. had no permit and seems therefore not to have had such a privilege. Even without a legal privilege, however, J. S. could physically operate the elevator, and this gave him a valuable *factual* interest. It was by no means unreasonable in the instant case to extend the meaning of the word "property" to cover this factual interest, especially as the term is used in an extortion statute. In a prosecution under the same statute the court had said in a previous case: "The word, as here used, is intended to embrace every species of valuable right and interest, and whatever tends in any degree, no matter how small, to deprive one of that right, or interest, deprives him of his property." *People v. Warden* (1911, N. Y.) 145 App. Div. 861, 863, 130 N. Y. Supp. 698. Here "right" is evidently used to include all the jural relations involved—the *jural* interest; and the term "interest" would naturally include mere physical relations—a *factual* interest. In applying this language, however, the instant decision goes beyond the earlier cases; for in the latter the injury threatened was directed to existing *jural* relations— a true *legal* interest; the complainant there had multital rights that there should be no inter-